sided, one country gaining at the expense of another. In other cases the advantages are mutual and increase the total resources of the world. Generally, international trade has this result. The merchants who conduct it make their profits by appropriating wealth from whichever country is most in need of the exchange.

But, profits apart, the effect of both exporting and importing is to increase the effectiveness of industry. The export trade brings new markets within reach and expands the demand; the import trade assists manufacture by introducing supplies of raw material, and lowers prices by bringing goods and food upon the market more cheaply than they could be produced at home. Since a fall in prices stimulates production and increases wealth, proposals to check importation by the imposition of a protective tariff must justify themselves by their effect either in enabling the country to enrich itself at the expense of others, or in promoting developments which have a social or political as opposed to an economic effect. A protective tariff which raises prices, may check the stream of foreign investment by increasing the profits of some home factories: and it may be that, by inducing capitalists to invest at home, the wealth-stream would be swelled more abundantly than by the expenditure of the interest which foreign investments would

yield. It may be desirable for social reasons to encourage manu-" facture as opposed to agriculture: or it may seem politic to foster agriculture at the expense of manufacture in order to secure that the country should not become entirely dependent upon others for its food supply. Or, stress may be laid upon the advantage which results from the power of retaliation in penal tariffs in compelling other nations to moderate their customs demands.